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Doc#: 0726750125 Fee: \$34.50
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 09/24/2007 03:13 PM Pg: 1 of 6

This document was prepared by and after filing return to:

Bank Financial, F.S.B.
15W060 North Frontage Road
Burr Ridge, IL 60527
Loan # 1900028757

LOAN ASSUMPTION AND MODIFICATION AGREEMENT

This Loan Assumption and Modification Agreement is made as of the 1st day of August, 2007, by and among KAPA Properties, L.L.C., an Illinois limited liability company ("KAPA"), PDM CHGO, LLC, an Illinois limited liability company ("PDM"), Arnold B. Malk (**Guarantor**) and Bank Financial F.S.B. a federal savings bank (**Lender**).

WHEREAS, at the request of KAPA and Guarantor, on or about September 18, 2002, pursuant to the terms of a Business Loan Agreement (the "**Loan Agreement**") between KAPA and Lender, Lender made a loan to KAPA in the original principal amount of One Million Eighty Three Thousand Five Hundred Sixty and 00/100 Dollars (\$1,083,560.00) (the "**Loan**"); and

WHEREAS, on or about September 18, 2002, KAPA executed and delivered to the Lender that certain Promissory Note in the principal amount of \$1,083,560.00 (the "**Note**"); and

WHEREAS, on or about September 18, 2002, to secure the obligations under the Note, KAPA executed and delivered to the Lender a Mortgage (the "**Mortgage**") on certain real estate located in Cook County, Illinois, commonly known as 1875 North Dayton Street Chicago, IL and 1524 North Halsted Street, Chicago, IL, the legal description of which is attached hereto as Exhibit A (the "**Premises**"), which Mortgage was recorded with the Cook County Recorder of Deeds (the "**Recorder**") on October 10, 2002, as Document No. 0021113117; and

WHEREAS, on or about September 18, 2002, to further secure the obligations under the Note, KAPA executed and delivered to the Lender an Assignment of Rents (the "**Assignment**") on the Premises, which Assignment was recorded with the Recorder on October 10, 2002, as Document No. 0021113118;

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WHEREAS, on or about September 18, 2002, to further secure the obligations under the Note, KAPA executed and delivered to Lender that certain Commercial Security Agreement (the “**Security Agreement**”);

WHEREAS, on or about September 18, 2002, Guarantor executed and delivered to Lender a Commercial Guaranty (the “**Guaranty**”) pursuant to which, among other things, Guarantor guaranteed the payment and performance of KAPA’s obligations under the Note (the Loan Agreement, Note, Mortgage, Assignment, Security Agreement, Guaranty, together with any and all security agreements, collateral assignments, indemnities, certificate and all other documents relating to the Loan whether now existing or hereinafter executed by KAPA, PDM or Guarantor are the “**Loan Documents**”); and

WHEREAS, KAPA, PDM and Guarantor have requested Lender’s consent to the transfer of the Premises from KAPA to PDM (the “**Transfer**”) and further request that the Loan Documents be modified as more fully set forth below; and

WHEREAS, as of the date hereof, the outstanding principal balance under the Note is \$982,147.77 and

WHEREAS, Lender has agreed to consent to the Transfer and modification of the Loan Documents subject to each of terms and conditions set forth herein all as more fully set forth below.

NOW THEREFORE, in consideration of the premises hereto, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals: Each of the forgoing recitals is included by reference herein and KAPA, PDM and Guarantor represent to Lender that each such recital is true and correct in its entirety.
2. Capitalized Terms: Capitalized term used herein shall have the meanings ascribed to them in the Loan Documents unless otherwise defined herein.
3. Owner of Premises: PDM represents and warrants to Lender that it is the legal owner of record of the Premises, having acquired such ownership from KAPA pursuant to a deed properly recorded with the Recorder.
4. Consent to Transfer: Lender hereby consents to the Transfer of the Premises.
5. Assumption By PDM: PDM hereby agrees to assume any and all obligations of the KAPA under the Loan Documents and to execute such additional Loan Documents as Lender requires including, without limitation, a Promissory Note in the form attached hereto as Exhibit B (the “Replacement Note”.)

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6. Mortgage to Secure Replacement Note. In addition to the other obligations secured by the Mortgage, the Mortgage secures the Replacement Note and all obligations assumed by PDM hereunder.

7. Force and Effect. Except as expressly amended hereby, the Loan Agreement, Note, Mortgage, Assignment, and all other Loan Documents shall remain in full force and effect. The Note, the Mortgage, the Assignment and all rights and powers created thereby and thereunder or under such other Loan Documents are in all respects ratified and affirmed. From and after the date hereof, the Note, Mortgage, Assignment and other Loan Documents shall be deemed to be amended and modified as herein provided, but, except as so amended and modified, they shall continue in full force and effect.

8. No Default. KAPA, PDM and Guarantor represent and warrant that there does not exist any Event of Default under the Note or any of the Loan Documents.

9. Absence of Claims. KAPA, PDM and Guarantor acknowledge, agree and affirm that they have no knowledge of any claims, defenses, or offsets of any nature against Lender or with respect to the enforcement of the Note, the Mortgage or any of the Loan Documents; nor do they have any knowledge of any facts that would or might give rise to any claims against Lender. If facts now exist which would or could give rise to any claim against the Lender or with respect to the enforcement of the Note, the Mortgage or any of the Loan Documents, this Agreement or any other documents executed in connection with or related to the Loan, KAPA, PDM and Guarantor hereby unconditionally, irrevocably and unequivocally waive and fully release the Lender, its officers, directors and employees and their respective heirs and assigns from any and all such claims.

10. Reaffirmation of Guaranty. Guarantor hereby reaffirms to Lender that (i) his Guaranty is in full force and effect, (ii) Guarantor has continuing personal liability under his Guaranty and (iii) the foregoing amendments to the Loan Documents shall in no manner alter, amend, waive, terminate, diminish or abrogate Guarantor's obligations under his Guaranty.

11. Governing Law. This Loan Assumption and Modification Agreement shall be governed and construed in accordance with the laws of the State of Illinois.

12. Counterparts. This Loan Assumption and Modification Agreement may be executed in one or more counterparts which together shall comprise the entire agreement.

13. Further Assurances. KAPA, PDM and Guarantor represent and agree that they will execute and deliver to Lender such additional documents as Lender may require from time to time which additional documents shall become part of the Loan Documents.

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Signature page to Loan Assumption and Modification Agreement

IN WITNESS WHEREOF, the parties have executed this Loan Assumption and Modification Agreement as of the day and year first written above.

KAPA Properties, L.L.C

PDM CHGO, LLC.

By: Arnold B. Malk
Arnold B. Malk, its Manager

By: Arnold B. Malk
Arnold B. Malk, its Manager

Arnold B. Malk
Arnold B. Malk

Bank Financial, F.S.B.
By: [Signature]
Name: ANDREW S. LOYD
Title: SUP

Cook County Clerk's Office

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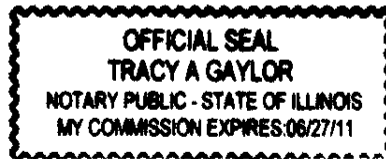
STATE OF ILLINOIS)

COUNTY OF COOK)

On this 1st day of August, 2007, before me, the undersigned Notary Public, personally appeared Arnold B. Malk to me personally known and acknowledged that he executed the Loan Assumption and Modification Agreement (i) individually, (ii) as the duly authorized Manager of both KAPA Properties, L.L.C. and PDM Chgo, LLC. as his free and voluntary act and deed and as the free and voluntary act and deed of KAPA Properties, L.L.C. and PDM Chgo, LLC for the uses and purposes therein stated.

By: Tracy A Gaylor
Notary Public in and for the State of Illinois

My commission expires: 6/27/11



STATE OF ILLINOIS)

COUNTY OF COOK)

On this 1 day of AUGUST, 2006, before me, the undersigned Notary Public, personally appeared CHIN LOGIKER, to me personally known who said to be the SENIOR V.P., authorized agent for BankFinancial, F.S.B., that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of BankFinancial, F.S.B., duly authorized by BankFinancial, F.S.B. through its Board of Directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument.

By: [Signature]
Notary Public in and for the State of Illinois

My commission expires: 2-25-09



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EXHIBIT A

THE NORTH 26.85 FEET OF LOT 27 IN SUB BLOCK 1 OF BLOCK 5 IN SHEFFIELD'S ADDITION TO CHICAGO IN THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

1875 N. Dayton St., Chicago, IL. 60614

UNIT NUMBER 1528 IN THE 1522 N. HALSTED COMMERCIAL CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: LOTS 9, 12 AND 13 IN JOHN A YALE'S SECOND RESUBDIVISION OF BLOCK 43 IN ELSTON'S ADDITION TO CHICAGO SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS AN EXHIBIT TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT 09198688 TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS

1522 N. Halsted St., Chicago, Unit 1528, Chicago, IL 60622

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